

CONTRACTUAL EMPLOYEES

Contractual positions are defined as those having an employee-employer relationship with the State. **A justification for each contractual position is required for fiscal year 2008.**

Agencies should take a “zero-based” approach to budgeting contractual positions. Any position that can be eliminated should not be renewed in FY 2007 (reductions can be initiated in FY 2007) and should not be funded in FY 2008. This count should include those individuals in higher education institutions who meet this definition, including those paid with additional assistance funds. Full-time equivalents (FTEs) for contractual employees paid with additional assistance funds should be entered in HOB0 columns 207-209 of the line items for additional assistance.

The totals of FTE contractual positions for each budgetary program should be submitted on the form DBM-DA-1. Agencies using HOB0 for their budgets should enter in columns 207-209, using Comptroller Object 0220, the FTEs for contractual employees associated with the actual, appropriated, and requested amounts that correspond to Comptroller Object 0220 in columns 14, 16, and 17. For the purpose of this count, one FTE equals 2,080 work hours per year.

Turnover

Contractual turnover should be computed on the sum of Comptroller Objects 0220, 0213, and 0214 for each subprogram (or program if subprograms are not used) and entered as a negative amount in a record for Comptroller Object 0289. In FY 2008 each agency should budget turnover based on “reasonable” agency vacancy rates for vacation leave, sick leave, as well as normal turnover for its contractual employees. **A turnover rate of 3.8% should be added to the “reasonable” vacancy rate for the 10 annual holidays that contractual employees do not receive compensation.** The turnover rate used for a subprogram (or program if subprograms are not used) must be reported in column 19 of the HOB0 budget file and/or on a DBM-DA-2 form.

All agencies except higher education should report supporting detail on DBM-DA-22. Higher education institutions should report supporting FTE and salary detail per employee category in accordance with their Budget Analyst’s instructions.

DBM-DA-22 Contractual Employees

This form is used to:

- Report all contractual employment for the Actual and Current Appropriation years, and
- Identify contractual positions or contractual conversions requested in FY 2008.

The form includes a column for the current year “Spending Plan.” This “Spending Plan” column may differ from the appropriation to the extent the agency has added or eliminated contractual positions on its own authority. It is important to show the FTE and the dollar amounts that reconcile to the Actual, Current Appropriation and Request columns for special payments payroll in the budget at the program or subprogram level.

Contractual employment data supporting object group 02, Technical and Special Fees, should be completed at the subprogram level of detail. Contractual positions should be itemized on a single line on the attached form, even though multiple positions in the same classification may exist.

The budgeted amounts (FTEs and dollars) for the following types of “exempt” contracts, involving an employer-employee relationship between the contractor and the contracting state agency, may be consolidated into a single line on this form. The single line must contain a total FTE count for the contracts in this category and the dollar amount entered in the appropriate columns for the appropriate fiscal years.

- Contracts in the Legislative and Judicial branches of government
- Exemptions based on State Law
- Other Policy Exemptions (i.e. students, patients, inmates, direct emergency services, School for the Deaf direct student services, college faculty, on-duty physicians, BPW, Governor's Office, and intermittent unemployment insurance claims)

Subprogram - Separate forms should be completed for each subprogram.

Classification of Employment - The equivalent or closest applicable job classification.

Actual, Current Appropriation, Spending Plan, and Request Years - Amounts for each year. Each of the Request year fields should contain zeros if the contractual position is not being requested or is being requested for conversion to a permanent budgeted position.

- **FY 2006 Actual** - Reconcile to the FY 2006 Actual column of the budget file
- **FY 2007 Appropriation** - Reconcile to the FY 2007 Appropriation column of the budget file. This column should be consistent with the FY 2007 Legislative Appropriation plus approved FY 2007 budget amendments.
- **FY 2007 Spending Plan** - Reflect the contractual employee FTE and amount for existing or planned staffing levels.
- **FY 2008 Request** - Reconcile to the FY 2008 Request column of the budget file. The FTE column should be consistent with the FY 2007 Appropriation column adjusted to reflect the addition or deletion of contractual employees.

FTE - Full-time equivalent position. If the position is full-time, indicate "1.00." Otherwise, indicate the percentage (to the nearest hundredth) of position used for each year. A total should be provided for this column. For agencies who budget through HOBOS, these totals should equal the quantities entered for R*STARS Comptroller object 0220 in columns 207-209.

Amount - Record each year's total salary for the contractual position excluding Social Security or other fringe benefits.

Fund - This column should record one of the following codes for the fund type financing the compensation of the contractual position each year (01 = General Funds, 03 = Special Funds, 05

= Federal Funds, 07 = Non-Budgeted Funds, and 09 = Reimbursable Funds). Indicate the relevant percentages when funding is mixed among fund types.

Conversion Requested - This field should indicate "yes" if the budget contains a request to convert the contractual position to a budgeted merit position in Object 01. If conversion is requested, no amount should be requested in object 02.

Renewal Date - Identifies when the position will be renewed during the FY 2007 budget year.

Justification/Description - Brief description of the need for a contractual position. If additional justification is required, use a DA-2 form with a reference note in this column i.e. "see Note 1 on page 55." The specific justification to convert to a budgeted position should appear in the new position's object 01 request detail.

Reconciliation to Subobject Detail - The totals for the Actual, Appropriation and Request years on the DBM-DA-22 should equal the budgetary amounts for R*STARS Comptroller object 0220 for each subprogram (or program if that is the level of budget submission) for both dollars and FTEs for each year.